

281—56.41(82GA,SF2101) Financial assistance grants.

56.41(1) *Grant awards.* Financial assistance grants may be awarded based upon the demonstrated need and evidence of business progression. The applicant must provide 50 percent of the equipment or working capital needed to start, expand, or acquire a business as defined in the business plan outline. The applicant may provide the 50 percent through conventional financing or other sources. Working capital may include, but is not limited to, design and printing of marketing materials, advertising, rent (up to six months), direct mail postage, raw materials, inventory, insurance (up to six months), and other start-up, expansion, or acquisition costs. The amount that may be awarded by the program shall be provided in three phases of business operations when each phase meets specified business results, and the need for additional award money is indicated. The timing of each phase and the amount of funds for each phase shall be established in the approved business plan, as reviewed by the business development specialist and approved by the counselor. It is a goal of the program that program funds assist an applicant in securing financing from a commercial or private source.

56.41(2) *Approval of business plan financial forms.* Business plan financial forms will define specific financial needs for business start-up, expansion, or acquisition. These forms shall be provided to an applicant by the counselor following evaluation of the application for the program and the submission and review of the business plan. Completed forms shall be submitted to the counselor and the business development specialist. The counselor, the business development specialist, and the applicant will meet to review the forms. Generally, this process shall be completed within 30 days of submission.

56.41(3) *Award process.* Upon the business development specialist's initial approval of the business plan, the counselor shall approve or deny the business plan. If the business plan is approved, the counselor shall send the applicant a notification letter which shall state the amount and conditions of the award.

56.41(4) *Financial assistance grant contracts.* Contracts for financial assistance grants shall be the responsibility of the division or the department for the blind and will be consistent with the authorized use of Title I vocational rehabilitation funds and policy. Recipients of financial assistance must demonstrate ongoing cooperation by providing the business development specialist with financial information needed to assess the business before additional funds are expended.